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What Is the Farm Bill?

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Summary

The farm bill is an omnibus, multi-year piece of authorizing legislation that governs an array of agricultural and food programs. Titles in the most recent farm bill encompassed farm commodity price and income supports, farm credit, trade, agricultural conservation, research, rural development, bioenergy, foreign food aid, and domestic nutrition assistance. Although agricultural policies sometimes are created and changed by freestanding legislation or as part of other major laws, the farm bill provides a predictable opportunity for policy makers to comprehensively and periodically address agricultural and food issues. The farm bill is renewed about every five years.

The Agricultural Act of 2014 (P.L. 113-79) is the most recent omnibus farm bill, and was enacted into law in February 2014. It succeeded the Food, Conservation, and Energy Act of 2008 (P.L. 110-246). Provisions in the 2014 farm bill reshape the structure of farm commodity support, expand crop insurance coverage, consolidate conservation programs, reauthorize and revise nutrition assistance, and extend authority to appropriate funds for many U.S. Department of Agriculture (USDA) discretionary programs through FY2018.

The Congressional Budget Office (CBO) estimates the total cost of mandatory programs at $489 billion over the next five years (FY2014-FY2018). This estimated cost does not include the cost of discretionary programs that are subject to appropriations. Of the total estimated mandatory outlays, $391 billion is for nutrition assistance and $98 billion is mostly geared toward agriculture production. Within the agriculture portion, crop insurance outlays are projected to be $41 billion over the next five years, $28 billion for conservation, and $24 billion for farm commodity programs. The trade title is projected to spend $1.8 billion over the next five years, horticulture $0.9 billion, research $0.8 billion, and bioenergy $0.6 billion. Accordingly, the overwhelming share (99%) of estimated total net mandatory outlays is anticipated for four farm bill titles: nutrition, crop insurance, conservation, and farm commodity support. Of the projected net outlays, about 80% is for the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps). Farm commodity support and crop insurance are expected to account for 13% of mandatory program costs, with another 6% of costs in USDA conservation programs. Programs in all other farm bill titles are expected to account for about 1% of all mandatory expenditures.

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What Is the Farm Bill?

The farm bill is an omnibus, multi-year piece of authorizing legislation that governs an array of agricultural and food programs. Although agricultural policies sometimes are created and changed by freestanding legislation or as part of other major laws, the farm bill provides a predictable opportunity for policy makers to comprehensively and periodically address agricultural and food issues. The farm bill is renewed about every five years.

Since the 1930s, farm bills traditionally have focused on farm commodity program support for a handful of staple commodities—corn, soybeans, wheat, cotton, rice, dairy, and sugar. Yet farm bills have grown in breadth in recent decades. Among the most prominent additions have been nutrition assistance, conservation, horticulture, and bioenergy programs.[1]

The omnibus nature of the farm bill can create broad coalitions of support among sometimes conflicting interests for policies that individually might not survive the legislative process. This can stir fierce competition for funds. In recent years, more parties have become involved in the debate, including national farm groups, commodity associations, state organizations, and nutrition and public health officials, as well as advocacy groups representing conservation, recreation, rural development, faith-based interests, local food systems, and certified organic production.

The Agricultural Act of 2014 (P.L. 113-79, H.Rept. 113-333), referred to here as the "2014 farm bill," is the most recent omnibus farm bill. It was enacted in February 2014 and succeeded the Food, Conservation, and Energy Act of 2008 (P.L. 110-246, "2008 farm bill"). The 2014 farm bill contains 12 titles encompassing commodity price and income supports, farm credit, trade, agricultural conservation, research, rural development, energy, and foreign and domestic food programs, among other programs.[2] (See titles described in the **text box** below.)

Provisions in the 2014 farm bill reshape the structure of farm commodity support, expand crop insurance coverage, consolidate conservation programs, reauthorize and revise nutrition assistance, and extend authority to appropriate funds for many U.S. Department of Agriculture (USDA) discretionary programs through FY2018. USDA reports that implementing the 2014 farm bill will require about 150 rulemaking actions, and more than 40 studies and reports.

As the 2008 farm bill was approaching expiration, the 112th Congress began work on a farm bill but did not complete it, requiring new bills to be introduced in the 113th Congress. Many 2008 farm bill provisions expired in September 2012 but were extended for an additional year, though some had no funding.[3] When a farm bill expires, not all programs are affected equally. Some cease to operate unless reauthorized, while others might continue to pay old obligations. Nutrition assistance programs require periodic reauthorization, but appropriations can keep them operating. The farm commodity programs not only expire, but would revert to permanent law dating back to the 1940s. Many discretionary programs would lose statutory authority to receive appropriations, though annual appropriations could provide funding. Other programs have permanent authority and do not need to be reauthorized (e.g., crop insurance).[4]

[1] There have been 17 farm bills since the 1930s (2014, 2008, 2002, 1996, 1990, 1985, 1981, 1977, 1973, 1970, 1965, 1956, 1954, 1949, 1948, 1938, and 1933). Farm bills have become increasingly omnibus in nature since 1973, with the inclusion of a nutrition title.

[2] For more information, see CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*.

[3] For background, see CRS Report R41433, *Programs Without a Budget Baseline at the End of the 2008 Farm Bill*.

[4] For more information, see CRS Report R42442, *Expiration and Extension of the 2008 Farm Bill*.

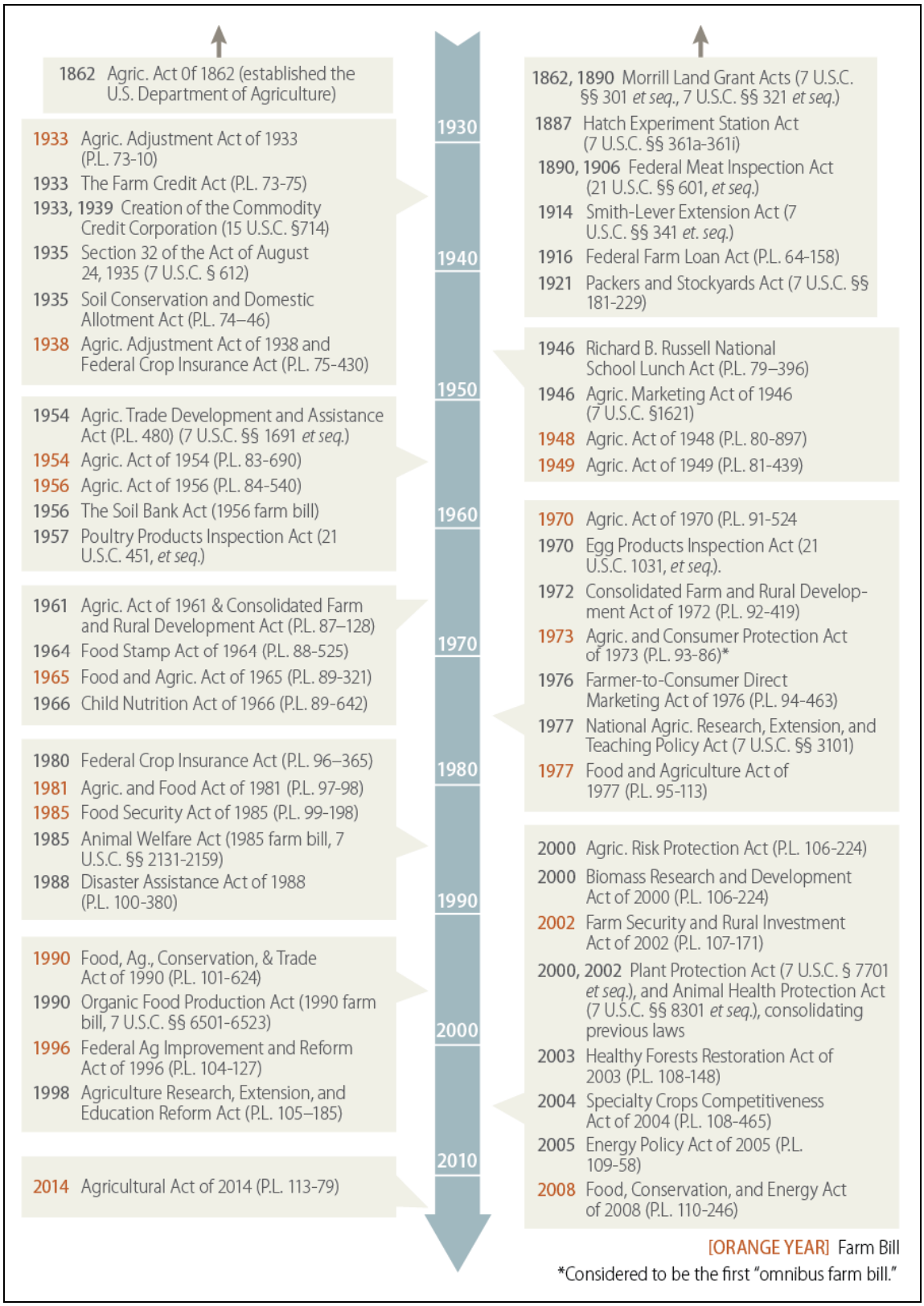
The 2014 Farm Bill (P.L. 113-79): Functions and Major Issues, by Title

- **Title I, Commodity Programs:** Provides farm payments when crop prices or revenues decline for major commodity crops, including wheat, corn, soybeans, peanuts, and rice. Includes disaster programs to help livestock and tree fruit producers manage production losses due to natural disasters. Other support includes margin insurance for dairy and marketing quotas, minimum price guarantees, and import barriers for sugar.
- **Title II, Conservation:** Encourages environmental stewardship and improved management practices. Working lands programs include Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP). Land retirement programs include the Conservation Reserve Program (CRP). Other aid is in the Agricultural Conservation Easement Program (ACEP) and Regional Conservation Partnership Program (RCPP).
- **Title III, Trade:** Provides support for U.S. agricultural export programs and international food assistance programs. Major programs included Market Access Program (MAP) and the primary U.S. food aid program, Food for Peace, which provides emergency and nonemergency food aid, among other programs. Other provisions address program changes related to World Trade Organization (WTO) obligations.
- **Title IV, Nutrition:** Provides nutrition assistance for low-income households through programs including the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) and The Emergency Food Assistance Program (TEFAP). Also supports the distribution of foods in schools.
- **Title V, Credit:** Provides federal direct and guaranteed loans to farmers, and loan eligibility rules and policies.
- **Title VI, Rural Development:** Supports business and community programs for planning, feasibility assessments, and coordination with other local, state, and federal programs. Programs include grants and loans for infrastructure, economic development, broadband and telecommunications, among other programs.
- **Title VII, Research, Extension, and Related Matters:** Supports a wide range of agricultural research and extension programs that help farmers and ranchers become more efficient, innovative, and productive. Other types of research programs include biosecurity and response, biotechnology, and organic production.
- **Title VIII, Forestry:** Supports forestry management programs run by USDA's Forest Service.
- **Title IX, Energy:** Supports the development of farm and community renewable energy systems through grants, loan guarantees, and procurement assistance initiatives. Provisions cover the production, marketing, and processing of biofuels and biofuel feedstocks, and research, education, and demonstration programs.
- **Title X, Horticulture:** Supports specialty crops—fruits, vegetables, tree nuts, and floriculture and ornamental products—through a range of initiatives, including market promotion; plant pest and disease prevention; and public research; among other initiatives. Also provides assistance to support certified organic agricultural production.
- **Title XI, Crop Insurance:** Enhances the permanently authorized federal crop insurance program. New plans include Stacked Income Protection (STAX) for cotton and Supplemental Coverage Option (SCO) for other crops.
- **Title XII, Miscellaneous:** Programs not covered in other titles, including provisions affecting livestock and poultry production and limited-resource and socially disadvantaged farmers, among other provisions.

Figure 1 provides a timeline of selected important dates for U.S. farm bill policy and other related laws. In many respects, agricultural policy in the United States began with the creation of USDA, homesteading, and subsequent creation of the land grant universities in the 1800s. Many stand-alone agricultural laws were passed through the early 1900s to address help farmers with credit availability and marketing practices, and to protect consumers via meat inspection.

The economic depression and dust bowl in the 1930s prompted the first "farm bill" in 1933, with subsidies and production controls to raise farm incomes and encourage conservation. Commodity subsidies evolved though the 1960s, as Great Society reforms drew attention to food assistance. The 1973 farm bill was the first "omnibus" farm bill; it included not only farm supports but also food stamp reauthorization. Subsequent farm bills expanded in scope, adding titles for formerly stand-alone laws such as trade, credit, and crop insurance. New conservation laws were part of the 1985 farm bill, organic agriculture in the 1990 farm bill, research programs in the 1996 farm bill, bioenergy in the 2002 farm bill, and horticulture and local food systems in the 2008 farm bill.

Figure 1. Important Dates for U.S. Farm Bill Policy and Selected Related Laws



Source: CRS.

What Is the Cost?

The farm bill authorizes programs in two spending categories: mandatory and discretionary. Mandatory programs generally operate as entitlements; the farm bill pays for them using multi-year budget estimates when the law is enacted. Discretionary programs are authorized for their scope, but are not funded in the farm bill; they are subject to appropriations. While both types of programs are important, mandatory programs often dominate the farm bill debate.[5]

Farm Bill Cost at Enactment

At enactment of the 2014 farm bill, the Congressional Budget Office (CBO) estimated the total cost of mandatory programs would be $489 billion over the next five years (FY2014-FY2018).[6] The overwhelming share (99%) of estimated total net outlays is anticipated for four farm bill titles (**Figure 2**).

About 80% of mandatory farm bill spending is for the Supplemental Nutrition Assistance Program (SNAP). Farm commodity support and crop insurance are expected to account for 13% of mandatory program costs, with another 6% of costs in USDA conservation programs. Programs in all other farm bill titles (e.g., trade, research, horticulture, energy, and rural development) are expected to account for about 1% of all mandatory farm bill expenditures.

Of the total estimated mandatory outlays, $391 billion is for nutrition assistance and $98 billion is mostly geared toward agriculture production.[7] Within the agriculture portion, crop insurance outlays are projected to be $41 billion over the next five years, $28 billion for conservation, and $24 billion for farm commodity programs. The trade title is projected to spend $1.8 billion over the next five years, horticulture $0.9 billion, research $0.8 billion, and bioenergy $0.6 billion.

If the 2008 farm bill had continued (the baseline assumption), CBO estimated that mandatory outlays would have been $494 billion for the five-year period FY2014-FY2018.[8] Compared to this baseline, provisions in the 2014 farm bill reduced projected spending and the deficit by $5.3 billion over five years from what it would have been (-1.1%).

The net reduction is composed of some titles receiving more funding, while other titles provide offsets. The titles for farm commodity subsidies, nutrition, and conservation provide budgetary savings. The titles for crop insurance, research, bioenergy, horticulture, rural development, trade, forestry, and miscellaneous items receive additional funding (**Table 1**).

[5] For more background, see CRS Report R42484, *Budget Issues That Shaped the 2014 Farm Bill*.

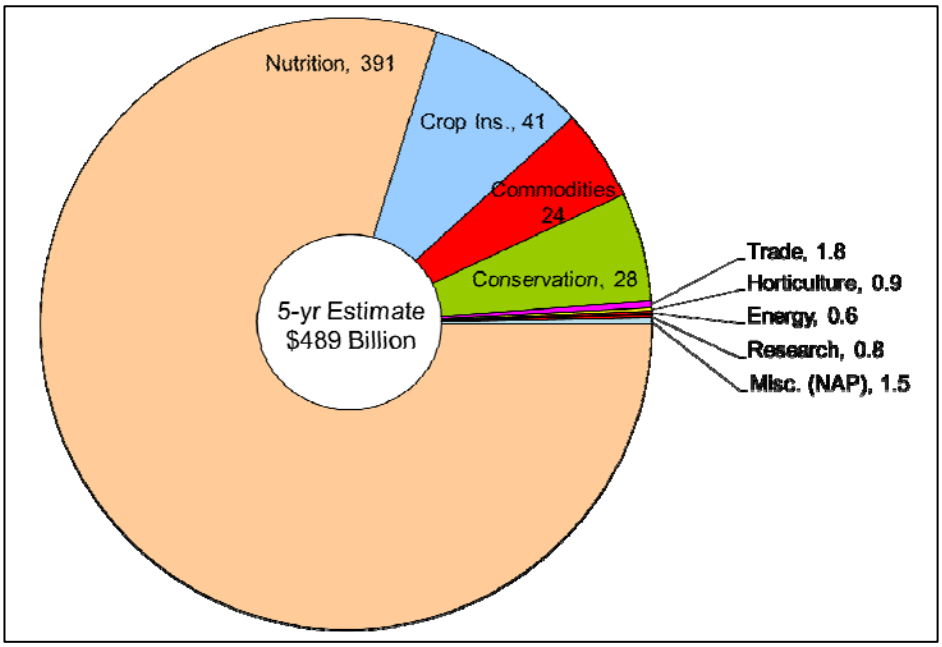
[6] CBO cost estimate of the Agricultural Act of 2014, January 28, 2014 (http://www.cbo.gov/publication/45049).

[7] The 10-year projected total cost is $956 billion, with $756 billion for nutrition and $200 billion for agriculture.

[8] CBO, "May 2013 Baseline for the 2008 Farm Bill Programs and Provisions, by Title," unpublished, May 2013. See also "Updated Budget Projections: Fiscal Years 2013 to 2023," May 14, 2013, at http://cbo.gov/publication/44172.

Figure 2. Projected Outlays in the 2014 Farm Bill

(five-year projected mandatory outlays FY2014-FY2018 in billions of dollars by title)



Source: CRS, using CBO's 2014 farm bill cost estimates (http://www.cbo.gov/publication/45049).

Table 1. 2014 Farm Bill Budget: Baseline, Scores, and Projected Outlays, by Title

(mandatory outlays in millions of dollars, five-year total FY2014-FY2018)

	2014 Farm Bill Titles	CBO baseline FY2014-FY2018	CBO Score (change to baseline) of P.L. 113-79	Projected Outlays (Baseline + Score) of P.L. 113-79	Share
I	Commodities	29,888	-6,332	23,556	4.8%
II	Conservation	28,373	-208	28,165	5.8%
III	Trade	1,718	+64	1,782	0.4%
IV	Nutrition	393,930	-3,280	390,650	79.9%
V	Credit	-1,011	+0	-1,011	-0.2%
VI	Rural Dev.	13	+205	218	0.04%
VII	Research	111	+689	800	0.2%
VIII	Forestry	3	+5	8	0.002%
IX	Energy	84	+541	625	0.1%
X	Horticulture	536	+338	874	0.2%
XI	Crop Ins.	39,592	+1,828	41,420	8.5%
XII	Misc. (NAP)	705	+839	1,544	0.3%
Total, Direct Spending		**493,941**	**-5,310**[a]	**488,631**[a]	**100.0%**

Source: CRS, using the CBO baseline and 2014 farm bill cost estimates (http://www.cbo.gov/publication/45049).

a. Including changes in revenues, the 5-year net impact on the deficit is an estimated change of -$5.361 billion. On a 10-year basis, the score is -$16.608 billion, with 10-year projected outlays of $956.4 billion.

Farm Bill Cost Over Time

The allocation of baseline among titles, and the size of each amount, is not a zero-sum game over time. Every year, CBO re-estimates the baseline to determine expected costs. Baseline projections rise and fall based on changes in economic conditions, even without any action by Congress.

For example, when the 2008 farm bill was enacted, the nutrition title was 67% of the five-year total. When the 2014 farm bill was enacted, the nutrition share had risen to 80% (**Table 2**). This growth in size and proportion does not mean, however, that nutrition has grown at the expense of agricultural programs. Legislative changes account for only a fraction of the change.

- **Nutrition**. Projected five-year SNAP outlays rose by 12.9% per year from enactment of the 2008 farm bill to enactment of the 2014 farm bill (**Table 2**). This $202 billion increase in expected five-year outlays is entirely from changing economic expectations, since the legislative changes in the farm bill scored a $3.2 billion reduction (**Table 1**).
- **Crop insurance.** Projected five-year crop insurance outlays rose by 11.2% per year from 2008 to 2014—nearly the same rate as SNAP, though smaller in dollars. The $20 billion increase in crop insurance is mostly from changing economic expectations rather than the $1.8 billion increase that was legislated in the farm bill.
- **Farm commodity programs.** Projected five-year farm commodity program outlays fell by 9.1% per year from the 2008 farm bill to the 2014 farm bill.

Table 2. Shares and Growth in Projected Farm Bill Outlays from 2008 to 2014

	5-year projected cost of the farm bill at enactment				Change in 5-year projection from 2008 to 2014	Annual change from 2008-2014
	2008 farm bill		2014 farm bill			
Farm bill titles	$ billion	Percent	$ billion	Percent		
Primary divisions						
Nutrition (Title IV)	189	67%	391	80%	202	12.9%
Rest of the farm bill (agriculture share)	95	33%	98	20%	3	0.5%
Selected agriculture-related titles						
Crop insurance (Title XI)	22	7.7%	41	8.5%	19.6	11.2%
Farm commodities (Title I)	42	15%	24	4.8%	-18.1	-9.1%
Subtotal: "Farm safety net"	*63*	22%	*65*	13%	*1.5*	*0.4%*
Conservation (Title II)	24	8.5%	28	5.8%	4.1	2.6%
Trade (Title III)	1.9	0.65%	1.8	0.36%	-0.07	-0.7%
Research (Title VII)	0.32	0.11%	0.80	0.16%	0.48	16.4%
Energy (Title IX)	0.64	0.23%	0.63	0.13%	-0.02	-0.5%
Horticulture (Title X)	0.40	0.14%	0.87	0.18%	0.47	13.8%
Other titles (Titles V, VI, VIII, XII)	4.2	1.48%	0.76	0.16%	-3.4	-24.8%
Total: All farm bill programs	**284**	**100%**	**489**	**100%**	**204.7**	**9.5%**
Inflation (GDP price index)	98.8		107.8			1.5%

Source: CRS, using CBO baseline and cost estimates at time of farm bill enactment (Jun. 2008 and Feb. 2014).

Title-by-Title Summaries

Following are summaries of the major provisions of each title of the 2014 farm bill. For more detailed information see CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*, which includes a more detailed summary and also a side-by-side comparison of the provisions in the final 2014 farm bill, compared to previous law/policy and the House- and Senate-passed versions of the farm bill.

Title I: Commodity Programs[9]

Under the enacted 2014 farm bill, farm support for traditional commodity crops—grains, oilseeds, and cotton—is restructured by eliminating direct payments,[10] the counter-cyclical price (CCP) program, and the Average Crop Revenue Election (ACRE) program.[11] Under the 2014 farm bill, producers may choose between the following two programs linked to a decline in either price or revenue (price times crop yield): (1) Price Loss Coverage or PLC, which retains a counter-cyclical price program and makes a farm payment when farm price for a covered crop declines below its "reference price" set in statute; and (2) Agriculture Risk Coverage (ARC), which retains a revenue-based program, is designed to cover a portion of a farmer's out-of-pocket loss (referred to as "shallow loss") when crop revenues decline**.** These farm programs are separate from a producer's decision to purchase crop insurance. The 2014 farm bill makes significant changes to U.S. dairy policy by eliminating the dairy product price support program, the Milk Income Loss Contract (MILC) program, and export subsidies. These are replaced by a new program, which makes payments to participating dairy producers when the national margin (average farm price of milk minus an average feed cost ration) falls below a producer-selected margin. The farm bill does not change the objective and structure of the U.S. sugar program. The 2014 farm bill also sets a $125,000 per person cap on the total of PLC, ARC, marketing loan gains, and loan deficiency payments. It also makes changes to the eligibility requirement based on adjusted gross income (AGI), setting a new limit to a single, total AGI limit of $900,000.

The bill retroactively reauthorizes and funds four programs covering livestock and tree assistance, beginning in FY2012 and continuing without an expiration date. The crop disaster program from the 2008 farm bill (i.e., Supplemental Revenue Assistance, or SURE) was not reauthorized, but elements of it are folded into the new ARC program by allowing producers to protect against farm-level revenue losses. Provisions in other farm bill titles provide disaster benefits to tree fruit producers who suffered crop losses in 2012, and additional coverage levels are authorized under the Noninsured Crop Assistance Program (NAP).

[9] For more direct assistance regarding commodity crops, contact Dennis Shields (dshields@crs.loc.gov, 7-9051); for dairy, contact Randy Schnepf (rschnepf@crs.loc,gov, 7-4277); for sugar, contact Remy Jurenas (rjurenas@crs.loc.gov, 7-7281); and for payment limits, contact Jim Monke (jmonke@crs.loc.gov, 7-9664).

[10] Since 1996, direct payments have been made to producers and landowners based on historical production of corn, wheat, soybeans, cotton, rice, peanuts, and other "covered" crops. Cotton producers will receive direct payment assistance in crop years 2014 and 2015 as they transition to the STAX insurance product (see Title XI, Crop Insurance).

[11] For information, see CRS Report R42759, *Farm Safety Net Provisions in a 2013 Farm Bill: S. 954 and H.R. 2642.*

Title II: Conservation[12]

Prior to the 2014 farm bill, the agricultural conservation portfolio included over 20 conservation programs. The bill reduces and consolidates the number of conservation programs, and reduces mandatory funding. It reauthorizes many of the larger existing conservation programs, such as the Conservation Reserve Program (CRP), the Environmental Quality Incentives Program (EQIP), and the Conservation Stewardship Program (CSP), and rolled smaller and similar conservation programs into two new conservation programs—the Agricultural Conservation Easement Program (ACEP) and the Regional Conservation Partnership Program (RCPP). Previous conservation easement programs, including programs related to wetlands, grasslands, and farmland protection, were repealed and consolidated to create ACEP. ACEP retains most of the program provisions in the previous easement programs by establishing two types of easements: wetland reserve easements that protect and restore wetlands, and agricultural land easements that prevent non-agricultural uses on productive farm or grasslands. Previous programs focused on agricultural water enhancement, and two programs related to the Chesapeake Bay and Great Lakes, among other programs, were repealed and consolidated into the new RCPP. RCPP will use partnership agreements with state and local governments, Indian tribes, farmer cooperatives, and other conservation organizations to leverage federal funding and further conservation on a regional or watershed scale.

The 2014 farm bill also adds the federally funded portion of crop insurance premiums to the list of program benefits that could be lost if a producer is found to produce an agricultural commodity on highly erodible land without implementing an approved conservation plan or qualifying exemption, or converts a wetland to crop production. This prerequisite, referred to as conservation compliance, has existed since the 1985 farm bill and previously affected most USDA farm program benefits, but has excluded crop insurance since 1996.

Title III: Trade[13]

The 2014 farm bill reauthorizes and amends USDA's food aid, export market development, and export credit guarantee programs. The bill reauthorizes all of the international food aid programs, including the largest, Food for Peace Title II[14] (emergency and nonemergency food aid), and also amends existing food aid law to place greater emphasis on improving the nutritional quality of food aid products and ensuring that sales of agricultural commodity donations do not disrupt local markets, among other changes. The bill creates a new local and regional purchase program in place of the expired local and regional procurement (LRP) pilot program of the 2008 farm bill and increases the authorized appropriations for the program. The 2014 farm bill also reauthorizes funding for the Commodity Credit Corporation (CCC) Export Credit Guarantee program and three other agricultural export market promotion programs, including the Market Access Program (MAP), which finances promotional activities for both generic and branded U.S. agricultural products, and the Foreign Market Development Program (FMDP), a generic commodity promotion program. It also made changes to the credit guarantee program to comply with the

[12] For more direct assistance, contact Megan Stubbs (mstubbs@crs.loc.gov, 7-8707). For more information, see CRS Report R40763, *Agricultural Conservation: A Guide to Programs.*

[13] For more direct assistance regarding international food aid, contact Randy Schnepf (rschnepf@crs.loc,gov, 7-4277); for agricultural export programs, contact Remy Jurenas (rjurenas@crs.loc.gov, 7-7281).

[14] Alternatively referred to as Food for Peace (P.L. 480) Title II.

WTO cotton case against the United States won by Brazil, and proposes a plan to reorganize the trade functions of USDA, including establishing an agency position to coordinate sanitary and phytosanitary matters and address agricultural non-tariff trade barriers across agencies.

Title IV: Nutrition[15]

The 2014 farm bill's nutrition title accounts for 80% of the law's forecasted spending. The majority of the law's Nutrition funding and policies pertain to the Supplemental Nutrition Assistance Program (SNAP), which provides benefits redeemable for eligible foods at eligible retailers to eligible, low-income individuals. The bill reauthorizes SNAP and The Emergency Food Assistance Program (TEFAP, the program that provides USDA foods and federal support to emergency feeding organizations such as food banks and food pantries), and other related programs, and is estimated by CBO to reduce related spending.[16] The bill retains most of the eligibility and benefit calculation rules in SNAP. It does, however, amend how Low-Income Home Energy Assistance Program (LIHEAP) payments are treated in the calculation of SNAP benefits.[17] It includes certain other eligibility disqualifications, including the disqualification of certain ex-offenders from receiving SNAP benefits if they do not comply with the terms of their sentence. The law establishes a number of new policies related to the SNAP Employment and Training (E&T) program, including a pilot project authority and related funding for states to implement and USDA to evaluate work programs for SNAP participants.[18] The bill makes changes to SNAP law pertaining to retailer authorization and benefit issuance and redemption, including requiring stores to stock a greater variety of foods and more fresh foods, requiring retailers to pay for their electronic benefit transfer (EBT) machines, and providing additional funding for combatting trafficking (the sale of SNAP benefits). It also includes new federal funding to support organizations that offer bonus incentives for SNAP purchases of fruits and vegetables (called Food Insecurity Nutrition Incentive grants). The bill also increases funding for TEFAP. It also includes other changes to SNAP and related programs, including amendments to the nutrition programs operated by tribes and territories, the Commodity Supplemental Food Program (CSFP), and the distribution of USDA foods to schools.[19]

Title V: Credit[20]

The 2014 farm bill makes relatively minor changes to the permanent statutes for two types of farm lenders: the USDA Farm Service Agency (FSA) and the Farm Credit System (FCS).[21] It

[15] For more direct assistance, contact Randy Alison Aussenberg (raussenberg@crs.loc.gov, 7-8641). For more information, see CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*; and CRS Report R42353, *Domestic Food Assistance: Summary of Programs.*

[16] The SNAP provisions alone are estimated to reduce spending by $8.6 billion over 10 years, while certain other title provisions are estimated to increase spending, which together result in the total estimated reduction of $8.0 billion.

[17] CRS Report R42591, *The 2014 Farm Bill: Changing the Treatment of LIHEAP Receipt in the Calculation of SNAP Benefits*.

[18] The bill does not include changes to broad-based categorical eligibility or a state option to drug test SNAP applicants; these options has been included in House proposals.

[19] The 2010 child nutrition reauthorization (Healthy, Hunger-Free Kids Act of 2010, P.L. 111-296) had already reauthorized some nutrition programs through FY2015, but P.L. 113-79 included certain related policy changes. See CRS Report R41354, *Child Nutrition and WIC Reauthorization: P.L. 111-296*.

[20] For more direct assistance, contact Jim Monke (jmonke@crs.loc.gov, 7-9664). For more information, see CRS Report RS21977, *Agricultural Credit: Institutions and Issues.*

gives USDA discretion to recognize alternative legal entities to qualify for farm loans and allow alternatives to meet a three-year farming experience requirement. It increases the maximum size of down-payment loans, and eliminates term limits on guaranteed operating loans (by removing a maximum number of years that an individual can remain eligible). It increases the percentage of a conservation loan that can be guaranteed, adds another lending priority for beginning farmers, and facilitates loans for the purchase of highly fractionated land in Indian reservations, among other changes.

Title VI: Rural Development[22]

The 2014 farm bill reauthorizes and/or amends rural development loan and grant programs and authorized several new provisions, including rural infrastructure, economic development, and broadband and telecommunications development, among other programs. The bill reauthorizes funding for programs under the Rural Electrification Act of 1936, including the Access to Broadband Telecommunications Services in Rural Areas Program and the Distance Learning and Telemedicine Program, and also reauthorizes the Northern Great Plains Regional Authority and the three regional authorities established in the 2008 farm bill. It also increases funding for several programs, including the Value-Added Agricultural Product Grants, rural development loans and grants, and the Microentrepreneur Assistance Program. The bill retains the definition of "rural" and "rural area" under current law for purposes of program eligibility; however, it amends the definition of rural area in the 1949 Housing Act so that areas deemed rural between 2000 and 2010 would retain that designation until USDA receives data from the 2020 decennial census. The provision further raises the population threshold for eligibility from 25,000 to 35,000. The bill also authorizes USDA to prioritize otherwise eligible applications that support multijurisdictional strategic economic and community development, as well as a new Rural Energy Savings Program, and amends the water and waste water direct and guaranteed loan programs, among other changes to USDA's rural development programs.

Title VII: Research[23]

USDA is authorized under various laws to conduct agricultural research at the federal level, and to provide support for cooperative research, extension, and post-secondary agricultural education programs in the states. The 2014 farm bill reauthorizes funding for these activities through FY2018, subject to annual appropriations, and amends authority so that only competitive grants can be awarded under certain programs. Mandatory spending for the research title is increased for several programs, including the Specialty Crop Research Initiative and the Organic Agricultural Research and Extension Initiative. Also, mandatory funding is continued for the Beginning Farmer and Rancher Development Program. The bill provides mandatory funding to establish the Foundation for Food and Agriculture Research, a nonprofit corporation designed to supplement

(...continued)

[21] The Consolidated Farm and Rural Development Act is the permanent statute that authorizes USDA agricultural credit and rural development programs. The Farm Credit Act of 1971, as amended, is the permanent statute that authorizes the Farm Credit System. See CRS Report RS21977, *Agricultural Credit: Institutions and Issues*.

[22] For more direct assistance, contact Tadlock Cowan (tcowan@crs.loc.gov, 7-7660). For more information, see CRS Report RL31837, *An Overview of USDA Rural Development Programs.*

[23] For more direct assistance, contact Dennis Shields (dshields@crs.loc.gov, 7-9051). For more information, see CRS Report R40819, *USDA's Research, Education, and Economics (REE) Mission Area: Issues and Background*.

USDA's basic and applied research activities to solicit and accept private donations to award grants for collaborative public/private partnerships with scientists at USDA and in academia, nonprofits, and the private sector.

Title VIII: Forestry[24]

General forestry legislation is within the jurisdiction of the Agriculture Committees, and past farm bills have included provisions addressing forestry assistance, especially on private lands. The 2014 farm bill generally repeals, reauthorizes, and modifies existing programs and provisions under two main authorities: the Cooperative Forestry Assistance Act (CFAA), as amended, and the Healthy Forests Restoration Act of 2003 (HFRA), as amended. Many federal forestry assistance programs are permanently authorized, and thus do not require reauthorization in the farm bill. However, the 2014 farm bill reauthorizes several other forestry assistance programs through FY2018. It also repeals programs that have expired or have never received appropriations. The bill also includes provisions that address the management of the National Forest System, and also authorizes the designation of treatment areas within the National Forest System that are of deteriorating forest health due to insect or disease infestation, and allows for expedited project planning within those designated areas.

Title IX: Energy[25]

USDA renewable energy programs have been used to incentivize research, development, and adoption of renewable energy projects, including solar, wind, and anaerobic digesters. However, the primary focus of these programs has been to promote U.S. biofuels production and use. Cornstarch-based ethanol dominates the U.S. biofuels industry. Earlier, the 2008 farm bill refocused U.S. biofuels policy initiatives in favor of non-corn feedstocks, especially the development of the cellulosic biofuels industry. The most critical programs to this end are the Bioenergy Program for Advanced Biofuels (pays producers for production of eligible advanced biofuels); the Biorefinery Assistance Program (assists in the development of new and emerging technologies for advanced biofuels); the Biomass Crop Assistance Program, BCAP (assists farmers in developing nontraditional crops for use as feedstocks for the eventual production of cellulosic biofuels); and the Renewable Energy for America Program, REAP (funds a variety of biofuels-related projects). The 2014 farm bill extends most of the renewable energy provisions of the 2008 farm bill through FY2018 with some notable modifications to REAP and BCAP, repeals four provisions, and adds a new reporting requirement.

Title X: Horticulture and Organic Agriculture[26]

The 2014 farm bill reauthorizes many of the existing farm bill provisions supporting farming operations in the specialty crop and certified organic sectors. Many provisions fall into the

[24] For more direct assistance, contact Katie Hoover (lhoover@crs.loc.gov, 7-9008). For more information, see CRS Report RL31065, *Forestry Assistance Programs*

[25] For more direct assistance, contact Randy Schnepf (rschnepf@crs.loc,gov, 7-4277). For more information, see CRS Report R43416, *Energy Provisions in the 2014 Farm Bill (P.L. 113-79)*.

[26] For more direct assistance, contact Renée Johnson (rjohnson@crs.loc.gov, 7-9588). For more information, see CRS Report R42771, *Fruits, Vegetables, and Other Specialty Crops: Selected Farm Bill and Federal Programs.*

categories of marketing and promotion; organic certification; data and information collection; pest and disease control; food safety and quality standards; and local foods. The bill adopts nearly all the programs, and in some cases provides for increased funding for several key programs benefitting specialty crop producers. These include the Specialty Crop Block Grant Program, plant pest and disease programs, USDA's Market News for specialty crops, the Specialty Crop Research Initiative (SCRI), and the Fresh Fruit and Vegetable Program (Snack Program) and Section 32 purchases for fruits and vegetables under the Nutrition title. The final law also reauthorizes most programs benefitting certified organic agriculture producers provisions as well as provisions that expand opportunities for local food systems and also beginning farmers and ranchers.[27] Provisions affecting the specialty crop and certified organic sectors are not limited to this title, but are contained within several other titles of the farm bill. These include programs in the research, nutrition, and trade titles, among others.

Title XI: Crop Insurance[28]

The crop insurance title enhances the existing federal crop insurance program, which is permanently authorized by the Federal Crop Insurance Act. The federal crop insurance program makes available subsidized crop insurance to producers who purchase a policy to protect against losses in yield, crop revenue, or whole farm revenue. More than 100 crops are insurable. The 2014 farm bill increases funding for crop insurance relative to baseline levels, most of which is for two new insurance products, one for cotton and one for other crops. With cotton not covered by the counter-cyclical price or revenue programs established in Title I, a new crop insurance policy called Stacked Income Protection Plan (STAX) is made available for cotton producers. For other crops, the 2014 farm bill makes available an additional policy called Supplemental Coverage Option (SCO), based on expected county yields or revenue, to cover part of the deductible under the producer's underlying policy (referred to as a farmer's out-of-pocket loss or "shallow loss"). Additional crop insurance changes in the 2014 farm bill are designed to expand or improve crop insurance for other commodities, including specialty crops. Provisions revise the value of crop insurance for organic crops to reflect prices of organic (not conventional) crops. USDA is required to conduct more research on whole farm revenue insurance with higher coverage levels than currently available.

Title XII: Miscellaneous

The miscellaneous title in the 2014 farm bill includes various provisions affecting livestock production;[29] socially disadvantaged and limited-resource producers; and oilheat efficiency, research, and jobs training, among other provisions. The livestock provisions include animal health-related and also animal welfare provisions, creation of a production and marketing grant program for the sheep industry, and requirements that USDA finalize the rules on catfish

[27] Other provisions supporting local food producers are within the research, nutrition, and rural development titles, among other titles.

[28] For more direct assistance, contact Dennis Shields (dshields@crs.loc.gov, 7-9051). For more information, see CRS Report RS21212, *Agricultural Disaster Assistance* and CRS Report R40532, *Federal Crop Insurance: Background*.

[29] The 2008 farm bill included new livestock-related provisions under a new bill title, and made changes to existing laws governing livestock and poultry marketing and competition. A separate livestock title was not included in the 2014 farm bill. For more direct assistance, contact Joel L. Greene (jgreene@crs.loc.gov, 7-9877). For more information, see CRS Report R42954, *Animal Agriculture: Selected Issues in the 113th Congress*

inspection and also conduct a study of its country-of-origin labeling (COOL) rule. The farm bill also extends authority for outreach and technical assistance programs for socially disadvantaged farmers and ranchers and adds military veteran farmers and ranchers as a qualifying group. It also creates a research center to develop policy recommendations for socially disadvantaged farmers and ranchers, reauthorizes funding for the USDA Office of Advocacy and Outreach for socially disadvantaged and veteran farmers and ranchers, and includes a provision to increase transparency by automatically providing receipts for service or denial of service. It also creates a military veterans agricultural liaison within USDA to advocate for and to provide information to veterans, and establishes an Office of Tribal Relations to coordinate USDA activities with Native American tribes. Other provisions establish grants for maple syrup producers and trust funds for cotton and wool apparel manufacturers and citrus growers, and also provide technological training for farm workers, as well as provisions related to the Environmental Protection Agency.

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